

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 02675 170740Z
ACTION COME-00

INFO OCT-01 EA-12 ISO-00 EB-08 CCO-00 PASO-00 /021 W
-----061521 171827Z /43

R 170728Z FEB 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 5371

UNCLAS TOKYO 2675

E.O. 11652: N/A
TAGS: EFIN, JA
SUBJECT: BORROWING BY JAPANESE CORPORATIONS

TO MR. MICHAEL BRADFIELD
1200- 17TH ST., N.W.
WASHINGTON, D.C.
TELEX NO. 64391

REFERENCE: YOUR TELEX OF FEB 14

WE ARE NOT AWARE OF ANY ANALYSES OF BORROWING BY LARGE JAPANESE CORPORATIONS INDICATING CLEARLY HOW MUCH IS FLOATING RATE AND HOW MUCH IS FIXED RATE. AS BEST WE CAN PUT THINGS TOGETHER, ABOUT TWO-THIRDS OF THEIR TOTAL LIABILITIES (EXCLUDING CAPITAL) REPRESENTS SHORT-TERM, FIXED RATE BORROWING. THIS INCLUDES ACCOUNTS PAYABLE AND OTHER TRADE FINANCING. HOWEVER, THIS BORROWING -- MOST CLEARLY THE THIRD WHICH IS CARRIED AS SHORT-TERM BORROWING FROM FINANCIAL INSTITUTIONS -- IS OFTEN RENEWABLE AT PREVAILING INTEREST RATES, WITH VARYING DEGREES OF LAG, AND THUS COULD EFFECTIVELY BE CONSIDERED TO BE FLOATING RATE BORROWING (EVEN IF THIS IS NOT THE WAY THE TERM IS NORMALLY USED). THE REMAINING ONE-THIRD OF THEIR TOTAL BORROWING IS PRIMARILY MEDIUM AND LONG-TERM, FIXED INTEREST RATE, EXCEPT FOR IMPACT LOANS (MEDIUM/ LONG-TERM FOREIGN CURRENCY LOANS TO JAPANESE BORROWERS).
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 02675 170740Z

THE LATTER, WHICH ARE ESTIMATED TO ACCOUNT FOR LESS THAN ONE-TENTH OF LONG-TERM BORROWING, ARE MAINLY FLOATING RATE BORROWINGS IN THE USUAL SENSE. FIGURES FOR THE IRON AND STEEL INDUSTRY SHOW ABOUT A 55/45 SPLIT BETWEEN SHORT-TERM AND LONG-TERM LIABILITIES.

IN SUM, IT SEEMS THAT WHETHER ONE SAYS MOST BORROWINGS

ARE FLOATING RATE OR FIXED RATE DEPENDS UPON THE CONTEXT IN WHICH ONE USES THE EXPRESSIONS. IT SHOULD BE ADDED THAT THE INTERPRETATION ABOVE IS BASED ON LOOKING AT TWO-THREE YEAR OLD FIGURES FOR OUTSTANDING LIABILITIES OF LARGE JAPANESE COMPANIES, I.E. IT IS NOT AN ANALYSIS OF WHAT THEY BORROWED IN A GIVEN YEAR OR IN RECENT YEARS.

HOPE YOU DO MAKE IT TO TOKYO SOON. BEST REGARDS.

MAC MC CAMEY
AMERICAN EMBASSY
TOKYO, JAPAN
MANSFIELD

NOTE BY OC/T: PASSED WASHINGTON, D.C.

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTELLIGENCE COLLECTION, LOANS, BUSINESS FIRMS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO02675
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780074-0545
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780238/aaaabglb.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 29f607d4-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3551696
Secure: OPEN
Status: NATIVE
Subject: BORROWING BY JAPANESE CORPORATIONS TO MR. MICHAEL BRADFIELD 1200- 17TH ST., N.W.
TAGS: EFIN, JA, (BRADFIELD, MICHAEL)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/29f607d4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014